

Division of Securities
Utah Department of Commerce
160 East 300 South
P.O. Box 45808
Salt Lake City, Utah 84145-0808
Telephone: 801 530-6600
Facsimile: 801 530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:	ORDER TO SHOW CAUSE
BidBay.com, Inc.; Donald L. Dayer; and Kathleen von Dehn Respondents. File No. 006-7367-99/B00203346	Docket No. SD-00-0090 Docket No. SD-00-0091 Docket No. SD-00-0092

TO: Ms. L. Yvonne Van Hoek
BidBay.com
7209 Foothill Blvd.
Tujunga, CA 91042

Mr. Donald Dayer
1263 Westwood Blvd., Unit 210
Los Angeles, CA 90024-4811

Ms. Kathleen von Dehn
68215 Peladora Road
Cathedral City, CA 92234

It appears to the Director of the Utah Division of Securities (“the Director”) that BidBay.com, Inc., Donald L. Dayer, and Kathleen von Dehn (collectively “Respondents”) have engaged in acts and practices that constitute violations of the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, et seq. (“the Act”). Those acts are more fully described herein.

STATEMENT OF FACTS

1. BidBay.com, Inc. (“BidBay”) is a Nevada Corporation that operates an Internet auction site.
2. Donald L. Dayer (“Dayer”) is a promoter for BidBay who has been or will be paid a commission for sales of BidBay stock. The Division is informed and believes that Dayer resides in Los Angeles, CA.
3. Kathleen von Dehn (“von Dehn”) is an individual who has been or will be paid a commission for sales of BidBay stock. The Division is informed and believes that von Dehn resides in or near Cathedral City , CA,
4. On June 26, 2000, the Division received a notice filing from BidBay pursuant to § 61-1-15.5 of the Act and § R164-15-2 of the Utah Administrative Code (“UAC”). The filing consisted of an SEC Form D, a NASAA Form U-2 Uniform Consent to Service of Process, and a filing fee.
5. Question B (4) on page 3 of the Form D indicates that Dayer and von Dehn have been or will be paid a commission or similar remuneration for solicitation of purchasers in connection with the sale of BidBay’s securities in the State of Utah.

6. A review of the Division's records and the Central Registration Depository ("CRD") revealed that neither Dayer nor von Dehn are licensed to sell securities in Utah.
7. By letter dated June 27, 2000, the Division requested additional information from BidBay on the unlicensed agents.
8. On August 22, 2000 the Pennsylvania Securities Commission filed a Summary Order to Cease and Desist against Dayer and BidBay for Dayer's failure to comply with an Federal Trade Commission (FTC) injunction, and BidBay's failure to disclose this injunction in the Private Placement Memorandum of BidBay.
9. The FTC injunction, issued by the U.S. District Court for the Central District of California on December 20, 1996, was for the fraudulent telemarketing of investments in FCC paging licenses.
10. By letter dated September 22, 2000, BidBay responded to the Division's request for additional information about the sale by unlicensed agents and submitted a revised Form D and a copy of the Private Placement Memorandum.
11. Question B(4) of the revised Form D lists the same unlicensed agents, but indicates that they will not be selling in Utah.
12. The letter from BidBay indicates that Dayer and von Dehn receive 25% commissions on all gross sales of BidBay securities paid directly to them by BidBay. The letter further indicates that Dayer and von Dehn will not be allowed to make any further sales in Utah until such time as they are licensed.

13. The Form D submitted by BidBay indicates that six Utah investors have invested a total of \$13,000.

CAUSES OF ACTION

COUNT I

(Unlicensed Agent under Utah Code Ann. § 61-1-3(1))

14. The Division incorporates and re-alleges paragraphs 1 through 13.
15. Utah Code Ann. § 61-1-3(1) states that

It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is licensed under this chapter.

16. The sales of Respondents Dayer and von Dehn, as described above, are in violation of Utah Code Ann. § 61-1-3(1).

COUNT II

(Employment of unlicensed agents under Utah Code Ann. §61-1-3(2))

17. The Division incorporates and re-alleges paragraphs 1 through 16.
18. Utah Code Ann. §61-1-3(2) states:

It is unlawful for any broker-dealer or issuer to employ or engage an agent unless the agent is licensed.

19. BidBay's employment of Dayer and von Dehn, as unlicensed agents, violates §61-1-3(2).

COUNT III

(Securities Fraud under Utah Code Ann. § 61-1-1(2))

20. The Division incorporates and re-alleges paragraphs 1 through 19.

21. Utah Code Ann. § 61-1-1(2) states that

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly to:

...

(2) make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading....

22. Respondent's failure to disclose the fact that Dayer is the subject of an FTC Injunction limiting the promotion and sale of investments violated Utah Code Ann. § 61-1-1(2), in that it would have been material to an offeree or investor in Utah. In addition, it would be material to a Utah investor to know that Dayer and von Dehn are not licensed to sell securities in Utah.


ORDER

The Director, pursuant to Utah Code Ann. § 61-1-20, hereby orders Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63-46b-4 and 63-46b-6 through -10, and held before the Utah Division of Securities. The presiding officer will be Administrative Law Judge J. Steven Eklund, Department of Commerce, 160 East 300 South, Salt Lake City, Utah 84111, telephone (801) 530-6001. The hearing will occur at **160 East 300 South, Salt Lake City, Utah; Room 2A; at a time and date to be set in the attached Notice of Agency Action.** The Division will be represented by the Utah Attorney General's Office, 160 East 300 South # 500, Salt Lake City, Utah 81114. Respondents may elect to be represented

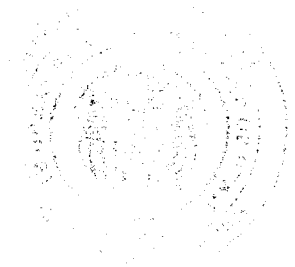
by counsel. If Respondents fail to appear at the hearing, an order to cease and desist may be issued and a fine imposed by default against Respondents, as provided by Utah Code Ann. § 63-46b-11. At the hearing, Respondents may show cause, if any they have:

1. Why Respondents should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. §§ 61-1-1(2) and (3), 6-1-3(1) and (2), 61-1-7, 61-1-16 or any other section of the Act;
2. Why Respondents Dayer and von Dehn should not be barred from associating with a broker-dealer or investment adviser licensed in Utah;
3. Why Respondents should not be ordered to pay a fine to the Division in an amount to be determined at the hearing; and
4. Why Respondents should not be found to have engaged in the violations alleged by the Division.

DATED this 27th day of October, 2000.



S. Anthony Taggart
Director



Division of Securities
Utah Department of Commerce
160 East 300 South
P.O. Box 146760
Salt Lake City, Utah 84114-6760
Telephone: 801 530-6600
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF

BidBay.com, Inc.;
Donald L. Dayer; and
Kathleen van Dehn

Respondents.

NOTICE OF AGENCY

Docket no. SD-00-0090
Docket no. SD-00-0091
Docket no. SD-00-0092

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

The purpose of this Notice of Agency Action is to inform you that the Division hereby commences an formal adjudicative proceeding against you as of the date of mailing of the Order to Show Cause. The authority and procedure by which this proceeding is commenced are provided by Utah Code Ann. § 63-46b-3 and Utah Code Ann. § 63-46B-6 through 11. The facts on which this action is based are set forth in the foregoing Order to Show Cause.

Within thirty (30) days of the date of this notice, you are required to file a written response with the Division. The response you file may be helpful in clarifying, refining or narrowing the facts and violations alleged in the Order to Show Cause.

You must attend a hearing that will occur at **160 East 300 South, Room 2A, Salt Lake City, Utah; at 10:30 a.m.; on November 30, 2000.**

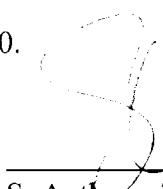
If you fail to file a written response, as set forth herein, or fail to appear at the hearing, you will be held in default and an Order to Cease and Desist will enter and a fine may be imposed against you in accordance with Utah Code Ann. §63-46b-11.

The presiding officer in this case is S. Anthony Taggart, Director, Division of Securities,

160 East 300 South, Box 146760, Salt Lake City, Utah 84114-6760, telephone (801) 530-6600. The hearing, will be conducted by J. Steven Eklund, Administrative Law Judge, Utah Department of Commerce, 160 East 300 South, Box 146701, Salt Lake City, Utah 84114-6701, telephone (801) 530-6648. At such hearing, the Division will be represented by the Utah Attorney General's Office, Box 140872, 160 East 300 South, Salt Lake City, Utah, 84114, telephone (801) 366-0310. At the hearing, you may appear and be heard and present evidence on your behalf.

You may attempt to negotiate a settlement of the matter without proceeding to the hearing. Should you so desire, please contact the Utah Attorney General's Office. Questions regarding the Order and Notice of Agency Action may be directed to Rich Hamp, Assistant Attorney General, 5272 S. College Drive, Ste 302, Murray, Utah 84123, telephone (801) 284-6341.

DATED this 27th day of October, 2000.



S. Anthony Taggart
Director, Division of Securities
Utah Department of Commerce

CERTIFICATE OF SERVICE

I certify that on the 27 day of October, 2000. I mailed, by certified mail, a true and correct copy of the Order to Show Cause, and Notice of Agency Action to the following Respondents:

Ms. L. Yvonne Van Hoek, BidBay.com, 7209 Foothill Blvd., Tujunga, CA 91042, Certified #7099-3220-0003-0577-5135,

Mr. Donald Dayer, 1263 Westwood Blvd., Unit 210, Los Angeles, CA 90024-4811, Certified #7099-3220-0003-0577-5142 and

Ms. Kathleen von Dehn, 68215 Peladora Road, Cathedral City, CA 92234, Certified #7099-3220-0003-0577-5159.


Executive Secretary